

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SJR 784

February 19, 2010

SUMMARY OF BILL: Requires the Department of Environment and Conservation (TDEC) to report to the General Assembly no later than March 30, 2011, regarding the Tennessee Valley Authority's (TVA) progress on National Incident Management System (NIMS) implementation and emergency preparedness. Requires TDEC to report annually by February 1 of each year, on TVA's progress in transition to dry coal ash storage at each of its coal plants in Tennessee and in responding to recommendations made in the TDEC Advisory Committee report. Authorizes TDEC to seek to recover costs from TVA for investigation, preparation, and presentation of these reports.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures –

\$115,500/FY10-11 thru FY19-20/Environmental Protection Fund

\$34,500/FY10-11 thru FY19-20/General Fund

Assumptions:

- According to TDEC, a similar study has been contracted by the Division of Solid Waste Management for a cost of approximately \$200,000. There is an additional contractor retainer fee of \$10,000 per year.
- There are seven facilities that this study would apply to resulting in \$1,400,000 in total state expenditures (7 facilities x \$200,000).
- According to TDEC, reports on these facilities would recur until TVA completes the conversion to dry ash storage in 10 to 12 years.
- The total contractor retainer fees are estimated to be approximately \$100,000 (\$10,000 x 10 years).
- The total increase to state expenditures over a 10 year period from FY10-11 through FY19-20 will be approximately \$1,500,000. The average cost per year will be \$150,000 (\$1,500,000 / 10 years).

- According to TDEC, the baseline ratio for the Division of Solid Waste Management is 23 percent state appropriations and 77 percent Environmental Protection Fund. The precise ratio cannot be reasonably determined and is subject to variation each year.
- According to TDEC, it is unlikely that the state can recover its costs from TVA.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

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